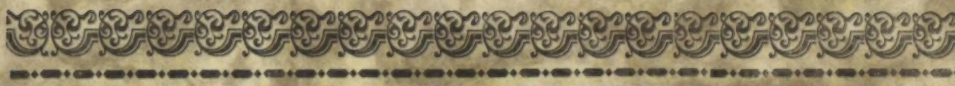




Third Annual Report of the
Economy Grocery Stores
Corporation

For the Twelve Months Ended June 30, 1928



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ECONOMY GROCERY STORES CORPORATION

DIRECTORS

PRESCOTT BIGELOW	Boston, Mass.
J. BRADFORD HARDON	.	.	.	.	.	Boston, Mass.
JACOB RABINOVITZ	.	.	.	.	.	Boston, Mass.
JOSEPH RABINOVITZ	.	.	.	.	.	Boston, Mass.
NORMAN S. RABINOVITZ	.	.	.	.	.	Boston, Mass.
SIDNEY RABINOVITZ	.	.	.	.	.	Boston, Mass.
LESTER WATSON	.	.	.	.	.	Boston, Mass.

OFFICERS

JOSEPH RABINOVITZ
PRESIDENT

JACOB RABINOVITZ
VICE-PRESIDENT

VINCENT J. VOLLONO
VICE-PRESIDENT

CHAS. W. DAY
VICE-PRESIDENT

SIDNEY RABINOVITZ
TREASURER

MAX E. BERNKOPF
CLERK

TRANSFER AGENTS
FIRST NATIONAL BANK
OF BOSTON

REGISTRARS OF STOCK
ATLANTIC NATIONAL BANK
OF BOSTON

ECONOMY GROCERY STORES CORPORATION

THIRD ANNUAL REPORT FOR THE FISCAL YEAR 1927-28

To the Stockholders of the
Economy Grocery Stores Corporation:

I submit herewith the Annual Report for the fiscal year ended June 30, 1928.

I am pleased to be able to report a substantial increase in the volume of business done by the Company, Gross Sales advancing from \$7,871,852. to \$9,062,336. an increase of \$1,190,484, or 15 per cent. As prices during the year were, if anything, rather lower than in the previous year, the gain in the unit volume of business was even larger than indicated by these figures.

During the year the number of stores was increased from 315 to 340, a net gain of 25. Applying in each instance the number of stores in operation at the close of the year to Gross Sales, it will be seen that the average sales per store for the 1928 fiscal year were greater than the preceding twelve months. Thus the gain in business was due not only to the larger number of stores in operation, but the average sales per store also show an increase.

The highly competitive conditions mentioned in the previous report have not only continued, but have been even more intense. Thus, in spite of the larger volume of business, the final Net Profits as reported were substantially the same as in the previous year. These profits were after the usual liberal allowance for Depreciation; in fact this item was somewhat larger than in the fiscal year ended June 30, 1927. In spite of these competitive conditions the Company succeeded in earning the dividends of \$1.00 per share paid on the stock plus 45c per share additional.

The Company closed the year in its usual comfortably strong treasury position, with Current Assets of \$1,079,335., against Current Liabilities of \$567,470., a ratio of nearly two to one, giving it a Working Capital of \$511,865.

Appended are statements showing Balance Sheet and Profit and Loss Accounts for the year, certified by Messrs. Myron Heller & Company.

By Order of the Board of Directors,

JOSEPH RABINOVITZ,

President.

Boston, Mass.,
August, 1928.

ECONOMY GROCERY STORES CORPORATION

BALANCE SHEET—JUNE 30, 1928

ASSETS

Current Assets:		
Cash on hand	\$ 60.00	
Bank Balances	184,600.23	
Certificate of Deposits	35.00	
		184,695.23
Accounts Receivable:		
Trade Debtors	53,776.41	
Others	2,252.41	
		56,028.82
Investments:		
U. S. Liberty Bonds	250.00	
Certificates of Stocks	200.00	
Officers' Life Insurance at Cash Surrender Value	3,638.34	4,088.34
Inventories		834,523.01
Total Current Assets		\$1,079,335.40
Fixed Assets at Cost less Depreciation:		
Stores equipment	323,794.86	
Whse. and Office Equip.	29,443.60	
Autos and Trucks	92,641.96	
		445,880.42
Deferred Charges to Operations:		
Unexpired Insurance Premiums	8,143.06	
Prepaid Rentals	240.00	
Auto. and Truck Registrations	1,145.00	
Office Supplies	1,554.60	11,082.66
Organization Expenses		7,340.88
		\$1,543,639.36

LIABILITIES

Current Liabilities:		
Accounts Payable:		
Trade Creditors	\$429,141.99	
Others	31,550.00	
Notes Payable	90,500.00	
		\$551,191.99
Reserves:		
For Accrued Expenses	2,172.80	
For Federal Income and State Taxes	14,105.35	
		16,278.15
Total Current Liabilities:		567,470.14
Capital:		
Appropriated for 100,000 shares of no par value stock	750,000.00	
Surplus	226,169.22	
		976,169.22
		\$1,543,639.36

ECONOMY GROCERY STORES CORPORATION

PROFIT AND LOSS ACCOUNT
YEAR ENDED JUNE 30th

	1928	1927
Sales	\$9,062,336.80	\$7,871,852.21
Less Cost	6,889,614.96	5,989,369.57
Gross Profit	2,172,721.84	1,882,482.64
Deduct Operating Expenses including Federal Taxes and Depreciation	2,027,672.31	1,736,252.56
Net Income	\$145,049.53	\$146,230.08

AUDITOR'S CERTIFICATE

We hereby certify that we have made an examination and audit of the books and accounts of the Economy Grocery Stores Corporation and that the foregoing Balance Sheet together with its relative Profit and Loss Account is to the best of our knowledge and belief a true statement of the financial position of the company on June 30, 1928, and the results of its operation for the year.

A contingent liability to the First National Bank of Boston of \$5,000.00 on a note receivable discounted is not reflected in the Balance Sheet.

Boston, Mass.,
July 30, 1928.

MYRON HELLER & COMPANY,
Certified Public Accountants.

